

Building Corporate Memories

The next step in knowledge management



People
Discussions
Decisions
Activities
Resources



We help you build the corporate memory you aspire to

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The next step in knowledge management

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This white paper is for anyone considering implementing knowledge management and especially for those who are dissatisfied because of their experience with it.

Before reading it, take a minute or two to reflect on following sayings. In tandem with our People, Discussions, Decisions, Activities, Resources approach to knowledge management, they underpin what we've done about it.

*Data is all in the universe,
Information is just like a mine
With knowledge and nowledge
It's ore, and with tools,
Know how doing makes all of it thine*

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*Knowledge is NOT power. It is merely potential.
Know-how on the other hand, moves mountains*

Wisdom is knowing what questions to ask

*Resources are a means of any kind
valued not by how much they cost,
but in how they are deployed.*

Solutions must focus on putting the important knowledge to work.



Knowledge management is still an emerging discipline and much has been written about it over the last 15 or so years as both authors and software vendors staked out their positions and definitions. Because various opinions and solutions have been put forward, there is confusion both about what knowledge management is and can do, and what tools make sense.

This is evidenced in Bain & Company's annual listing of management tools that has consistently seen a dichotomy between the adoption of knowledge management in a company and their overall satisfaction with it. Part of the dissatisfaction stems from cultural issues, but much rests in expectations and the choice of the knowledge management toolset.

So why does Info L inc think differently than others?

First, we did not take a search engine and call it a knowledge management tool, nor do we believe that document management, data warehouses, or groupware are knowledge management solutions. Not that these types of tools are useless or irrelevant. They certainly have their uses. But to call them knowledge management solutions is a stretch.

Instead, we use the terms corporate memory, corporate memory development, and corporate memory building when we discuss knowledge management. This immediately tells you exactly what we understand about knowledge management; it is about building an enterprise memory of its people and its activities; where they want to end up, what they do, who they do it with, how they do it, what they learn along the way, how they know they are getting there, and a host of other things that reflect what, as Peter Drucker might say, they "look like".

Secondly, we have our roots in small businesses, where understanding what is going on is much easier than trying to figure out the "black box" that is a large enterprise.

Thirdly, our founder, John Voorpostel, is a chartered accountant with many years of experience, with a background in economics. This has given us some unique insights into resources, and allowed us to work from a sound set of theories that reflect the reality of what a business does.

All this has led us to formulate rule number 1.



It's all about people, discussions, decisions, activities and resources.

Contrast what you just read with a definition and description that seems to be everywhere, but actually says little. "Knowledge management is all about acquiring, analyzing, storing and exploiting information for the benefit of the organization." Does this really give you any insight? How about this one; "Knowledge management is getting the right information to the right people at the right time." Pretty shallow don't you think?

Our view stems from our observation and theory that nothing happens unless someone does something, and in business doing things is all about people collaborating and deploying resources to make what they envision happen. What is important to take away from all this is that we start with the reality of what a business is and does. We call it rule number one because it underpins our approach to knowledge management.

Since business strategy is the result of an envisioning process and deciding how to get there, any knowledge management approach must facilitate this. Another way to put this is that knowledge management must be able to help companies do what they do better.

Rule number 2 addresses the question of knowledge itself.

Most everyone knows the old saying that knowledge is power. Attributed to Sir Francis Bacon, who formulated the Scientific Method, this phrase has been used over and over again to underscore the importance of knowledge.

We believe it is wrong as applied to knowledge management.

*Knowledge is NOT power. It is merely potential.
Know-how on the other hand, moves mountains.*

This is very important to understand and the evidence suggests people do not. Even such an august publication as the Economist made a fundamental mistake when they said in an article (May 8 2003) that knowledge is power, but only if you know how to acquire it.



From a philosophical perspective, power is the ability to influence reality, best described as circumstance, time and place. Knowledge itself cannot do this.

Knowledge is simply potential, and the difference between knowledge and know how is like the difference between water and getting the horse to drink it, or sailing on it, or using it for irrigation. This is what academics are saying when they talk about express knowledge, the knowledge embedded in documents, books and other teaching materials, and tacit knowledge, the knowledge and experience of the craft, the actual know how that gets things done. This means that knowledge management solutions that focus on knowledge and its gathering and organization and presentation are on the wrong track. Solutions must focus on putting the important knowledge to work.

That is why we say know how moves mountains. What exactly do we do, when do we do it, and what with? How can we do it better?

The purpose of these questions and their related discussions is to plan some desired reality, an end state, some circumstance, place and time. This reality is best described using stories that talk about who what when where why and how, and driven by “what if?” and “is?” and “how could we?”.

In this exchange there is a focus on a task or objective at hand, so people discuss important related ideas, facts, meanings, assumptions, guesses, points of view etc...all framed by some greater status quo.

This leads us to Rule Number 3

Wisdom is knowing what questions to ask

The most important, most valuable resource is the insightful, empowering question that directs you onward, that opens up the mind to further ideas and more relevant questions. These questions come from experienced people who have faced the issues before, and who have an understanding of where the questions and decisions can lead to, and who can foresee the issues that will be encountered.



But good questions are also posed by the naïve. Their questions are valuable because they often challenge you to think about the fundamentals, the assumptions. They are like the child asking “why is the sky blue?” and a chain of “but why?” that forces you to rethink something from the very basics. This chain of “why is that?” and “walk me through that” often clarifies issues and makes for better informed decisions.

If you recognize it is all about people and their ideas meeting and interacting, it’s important to keep memories of all the important questions, discussions, decisions, strategies, activities, resources, and related business requirements, all in some meaningfully organized taxonomy, so that you can easily and quickly access what you need, almost like opening a book.

Putting it in more academic terms, you need both the tacit and the explicit, organized in some meaningful way. We would argue this “meaningful way” is around their related strategies, tasks and requirements. That way, as you work, you use and augment what you know about it, and develop the work product that relates to it. You can then find the required knowledge, know how, discussions, decisions, strategies and resources of a particular activity all in one place.

To this point we’ve talked about knowledge and strategy, but not much about resources. We’ve purposefully left it to last because it deserves some attention and development.

First off, Rule Number 4

*Resources are a means of any kind
valued not by how much they cost,
but in how they are deployed.*

We believe that if you have studied economics, you know that the “classic” resources are land, labour and capital. This is useful because it allows for the simple analysis, but it ignores today’s real world.

In today’s modern economy however, a resource is a means of any kind. It could be a business model, information that only you have, a distribution licence, technology, time, effort, focus, in fact a resource is anything you use to achieve what you set out to do.



What is most relevant is that the real value of a resource is in its deployment, meaning strategy determines a resource's value. Hence a resource can have many values, and used incorrectly, may even yield a value that is below what it originally cost.,

So how does we as Canadian accountants deal with resources?

We do not traditionally measure them all. We limit our vision to producing financial statements that measure historical results according to International Financial Reporting Standards (IFRS) or Accounting Standards for Private Enterprises (ASPE). What we do is focus on dollar measures processed through a chart of accounts that tracks these dollars, and that produces financial statements and reports that are all about what happened in the past.

Does this mean that accountants have it wrong? Is a focus on historical cost, fair market value etc somehow wrong?

Not really. Accounting is about keeping score. It measures income, taxable income, what things actually cost, dollar and event based performance, and a host of valuable information, and is an important part of developing a corporate memory.

But it is only part of a total corporate memory solution.

Remember, business is all about people, discussions, decisions, activities and resources, which is all about know how and doing, which is all about the questions that have been asked. This thinking is reflected in our line of Knowledge Tools.

First of all, we have organized business strategies into a taxonomy, or framework, and each part of a strategy gets a workspace in that taxonomy. So unlike Open Text and Microsoft Sharepoint, which come out of the box as a Tabula Rasa, or blank slate, we provide a great head start to business owners and directors and their teams. These organized, ready to deploy business requirements and strategies are the main feature that sets our Knowledge Tools apart.

Embark Archives is a great roadmap to building a business or evaluating a franchise opportunity, and then organizing it to move forward on a day to day basis. Strategic Archives is for corporate directors and their teams.



Both are full of workspaces that contain strategic questions and outlines and requirements, with facilities for recording details of important discussions and decisions, and linking to the electronic work product, in fact any electronic resource you can reach from your desktop. On top of that, there is the basic task information; what it is, who is responsible, when something is expected etc that can be filtered and reported according to various meaningful criteria.

Our planners work in the same fashion, so that LeadConverter, for example, organizes what you do in order to develop leads, helps you close the deal, and manages customer information going forward.

No discussion of knowledge management, or corporate memory development, is complete without addressing the people and culture component.

Bain & Company and others note that sometimes employees don't share what they consider proprietary or valuable or advantageous for themselves, and also that it is sometimes hard getting the broader culture to accept and embrace and thrive in a shared electronic community.

Those who did embrace knowledge management and thrived had a leading champion and a specific purpose for their knowledge community that related directly to what the company was trying to achieve. This included trying to get more done right the first time, capturing the know how in the minds of employees for the benefit of all, and increased efficiency in responding to the needs and wishes of customers, suppliers, and the organization's employees.

Whatever these "hot buttons" may be, you must begin the adoption process by bringing in a core group of well chosen, key employees, and to grow it out from there. This core group must also have one or two passionate, leading champions who must engage and encourage and inspire and energize and drive the group and the process from the beginning and onward into the future.

These leaders must also recognize and reward and share successes, and get the story out, because as the founding group sees the rewards, others will want to be part of it. After all, participation and sharing is at the heart of people, discussions, and their decisions.



About Info L inc

We have been creating proprietary archives of business solutions since 1993, and these have most recently been incorporated into IDEA!, a knowledge management engine currently used by large European corporations, institutions and cities. We licensed the software and used it to build our line of Knowledge Tools.

We also disseminate what we've learned via web sites and seminars.

Have a look around these sites, and if you like what you see, and if you feel we can help you implement corporate memory building in your organization, or if you would like to attend one of our seminars, contact John Voorpostel directly at 416-695-4874, or via email at iaccountant@sympatico.ca.

<http://www.taxboard.ca>
<http://knowledgetools.ca>

<http://www.iaccountants.ca>
<http://www.trustedwisdom.ca>

<http://www.teamstart.ca>



These web sites are aimed at Canada's professional accountants. Both are portals that organize links to useful resources freely available on the web. Taxboard also has a forum that has become one of Canada's most successful online communities for tax practitioners.



This web site is aimed at Canadian business owners. It also has a portal to useful resources freely available on the web, a library of articles and information, and it is a primary distribution point for our line of Knowledge Tools.



These two web sites offer up our seminars. Our seminars are designed to increase the business proficiency of participants and introduce them to the concept of corporate memory development. The Knowledge Tools seminar is designed for accounting professionals and business consultants, while Trusted Wisdom seminars are aimed at business owners and their families.